

PENSIONS
INVESTMENTS
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Irish Life

PLANNING FOR YOUR RETIREMENT

A BUSINESS OWNERS GUIDE



Being a director or the owner of a company can be hectic. Too hectic sometimes, to take the time to plan your retirement. When you're so busy coping with the next few weeks, it's hard to think about your needs 20 years from now!

It's important, however, to have a realistic retirement plan in place for your future, especially if you have a good lifestyle to protect. You've worked hard for your benefits, and with a little thought, you can make sure you retain those advantages when you retire.

YOUR APPROACH TO RETIREMENT PLANNING

Perhaps you are hoping to rely on your business as your pension, but ask yourself:

- Will you be able to sell at the right time?
- How can you be sure that when you approach retirement, the firm will be doing as well as it is now?
- Will your family members or directors agree to the sale?
- Consider the impact that capital gains tax will have should you decide to sell your business.
- Or will you want to step back a little bit from the business and still use its profits to provide you with an income?

Altogether this may not turn out to be the ideal way to provide for your retirement. You may find that relying on your business to fund your retirement restricts your options for the future.



Did you know?

4 in 5 people don't think that they are saving enough for a decent quality of retirement (Coyne Research, 2017)

- but don't worry, we're here to help you every step of the way.

THE RIGHT RETIREMENT PLAN FOR YOUR BUSINESS

One of the most attractive, tax efficient ways for business owners to take profits from their company and turn them into personal wealth is to transfer these profits into a company pension. Unlike other remunerations such as salary increases, bonuses or company cars, an employer contribution to a company pension plan is not normally viewed as income.

That means you do not pay tax on any pension contribution your company

pays – and that could add up to a very significant saving.

Then, at retirement you have the option to take a retirement lump sum. The balance of your pension fund can then be used to purchase a guaranteed pension income for life. You may also have the option to invest in an Approved Minimum Retirement Fund (AMRF) or Approved Retirement Fund (ARF).

SOME OF THE RULES AROUND COMPANY PENSIONS

- For a company pension to be approved as a tax-exempt arrangement it must be set up in trust. The main advantage of the trust is to make sure that the benefits of the pension plan are kept totally separate from the company and are kept for the member and their beneficiaries (the people who will benefit from the scheme).
- A company director is only eligible to take out a company pension if they are set up as an employee of the company and are receiving Schedule E income from the company.
- Pension income in retirement is subject to income tax at your highest rate on withdrawal, Universal Social Charge, PRSI (if applicable) and any other taxes or government levies due at that time.

Warning: If you invest in this product you may lose some or all of the money you invest.

Warning: The value of your investment may go down as well as up.

Warning: If you invest in this product you will not have access to your money until age 60 and/or you retire.

Checklist for business owners



- ☐ Is your company contributing to your pension plan?
- ☐ Are you reducing your company's corporation tax bill to the maximum?
- ☐ Are you aware of the flexible pension options to suit you and your business?
- ☐ Are you on track with your expected retirement income?
- ☐ Are you aware of the variety of retirement options available to you?
- ☐ Do you take time to read your Pension Benefit Statements or keep track online?
- ☐ Are you reviewing your pension with your Financial Broker or Adviser every year?



Get specialist advice today

Retirement planning can seem like a complicated area so it's best to get expert help. To discuss a tax efficient way to make the most of your company assets and create the best financial plan for your retirement, talk to your Financial Broker or Adviser today.

WHY CHOOSE IRISH LIFE?



Ireland's leading life insurance and pensions provider (based on market share 2017). Irish Life have been helping people in Ireland plan for their retirement for **OVER 75 YEARS.**



Irish Life's investment manager (ILIM) have been consistently recognised for their expertise and trade record as chosen **Investment Manager of the Year** 4 of the last 5 years at the Irish Pension Awards (2013- 2017).



Irish Life manage pensions for **4,700 companies.** This includes the Irish employees of:

- 8 of the 10 biggest Irish companies (on the ISEQ)
- 7 of the 10 biggest U.S. companies (on the S&P500)



Irish Life's investment manager manages over **€71.6 BILLION** the most money for people in Ireland.



> 1 MILLION

Irish Life have over **1 MILLION CUSTOMERS** in Ireland.



With **24/7 online service** and a Dundalk based customer service team Irish Life aim for the highest quality customer service.



Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations.

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NEED SOME ADVICE?

To discuss your retirement plan contact your Financial Broker
or Adviser today.

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